

Upper Mississippi River-Illinois Waterway System Restructured Navigation Study
Public Meeting Minutes
March 20, 2002
Best Western Midway, La Crosse, Wisconsin

1. Attendance

143 members of the public attended the meeting. Officials and staff of the Corps of Engineers, state and local governments, and non-governmental organizations also attended. Organizations in attendance included Prairie DuChien, Big River Magazine, Sierra Club, River Resource Alliance, LaFarge North America, Friends of the Upper Mississippi Refuge, Public Employees for Environmental Responsibility, and the Audubon Society.

2. Welcome

At 6:30 Bill Wiedman introduced the meeting structure, procedures and basic information. He then introduced the project manager, Denny Lundberg.

3. Formal Presentation

Denny Lundberg gave a formal presentation describing the Upper Mississippi River-Illinois Waterway System Restructured Navigation Study. He then introduced the following people:

John Duyvejonck – U.S. Fish & Wildlife Service
Ellen Fischer – Wisconsin Department of Transportation
Gretchen Benjamin – Wisconsin Department of Natural Resources
Dick Lambert – State of Minnesota
Dan McGuiness – Audubon Society
Paul Bertles – National Corn Growers
Rich Manguno – Corps of Engineers, New Orleans District, Economics Team Leader
Ken Barr – Corps of Engineers, Rock Island District, Environmental Team Leader
Kevin Bluhm – Corps of Engineers, St. Paul District

4. Question and Answer Period

The public submitted written questions which were answered as follows:

Question: Can you explain how using previously approved economic models is more appropriate than following the National Research Council's recommendations to use the model developed for this study using real, current economic models?

Rich Manguno, Corps of Engineers: The NRC concluded that the economic model first developed was a move in the right direction but was not fully developed and did not use empirical data. The study team was directed to use existing Corps of Engineers models. The move to existing models is not without shortcomings. There are real world considerations that are not captured by the existing models. The existing models will have to stand the test of review.

Question: The National Academy of Science in its criticism of your first Nav Studies Report stated that Corps' traffic forecast models were unreliable and that new models should be developed. Their comment: "Many of the assumptions and data used as input to these models are flawed." Is it true you are still relying on these outdated and discredited models?

Rich Manguno, Corps of Engineers: Traffic forecasts that were previously used will no longer be used in the exiting models. There will be a range of alternative forecasts developed for the future that are represented by scenarios. The methodology is not the same as the original traffic forecasts.

Question: Has the Corps attempted to measure the ecological impacts (bank erosion, etc.) caused by recreational watercraft?

Ken Barr, Corps of Engineers: The Corps of Engineers conducted a study on recreational water craft looking at physical and ecological effects. The Corps of Engineers looked at five classes of watercraft and mapped out where they sailed. The Corps of Engineers looked at how many are on the system now and projected how many would use the system in the future. Then field instruments were used to collect physical measurements (i.e., wakes). This information was used to map where on the system the boats would contribute to erosion.

Question: Is all shore erosion blamed on barges?

Ken Barr, Corps of Engineers: Not all erosion is blamed on barges. Other contributors to bank erosion include, flooding, recreational craft and wind fetch. The Corps of Engineers tried to pinpoint where commercial traffic contributed to erosion and how big are the waves produced. The emphasis was on pinpointing areas where barges were a substantial contributor to erosion.

Question: Why don't we stabilize the river banks first to stop the backwaters from filling in before spending more money on the dams?

Ken Barr, Corps of Engineers: Bank erosion contributes to sedimentation but loading from tributaries is a bigger concern because of their impacts on backwaters and side channels.

Question: Who's paying for this? Big Business?

Ken Barr, Corps of Engineers: The study is fully federally funded and navigation improvements that come out of study are cost shared with the fuel tax.

Question: What follow up public involvement is planned?

Denny Lundberg, Corps of Engineers: The interim report will be on the website for public review but it will not be a formal review process. The Corps of Engineers is tentatively scheduling public meetings about a year from now. Once the economic and environmental aspects are complete they will be released to the public for additional comments. When the draft feasibility study is done, there will be another round of public meetings.

Question: For the most part, the Interim Report (July 2002) will identify problems and opportunities and inventory and forecast resource conditions and will not focus on recommendations. However, it is hinted that some interim recommendations may be listed that fall under current authorities. What might some of the interim recommendations be?

Denny Lundberg, Corps of Engineers: Any recommendations that come out of this will need a broad base of support from the basin interests. There are aspects that do have current authorities but not funding. Operation and maintenance of the 9 foot channel project could be started once funding is available.

Question: The Corps' new interactive website indicates that you will move ahead to seek authorization from Congress this year. How can you seek Congressional authorization for a project whose feasibility has not yet been evaluated, EIS not completed, and no preferred design yet determined or developed?

Denny Lundberg, Corps of Engineers: The Corps of Engineers is not seeking authorization this year. It doesn't say that on the website.

Question: Has Congress required the Corps to come up with a single recommended plan as opposed to two or more alternatives?

Denny Lundberg, Corps of Engineers: Congress's expectation is that a single recommendation will come from the Corps of Engineers and all basin interests. The Corps of Engineers will look at broad range of future worlds and will try to find a plan that works well across several of the future worlds.

Question: Will the public be providing any input to the interim report?

Denny Lundberg, Corps of Engineers: Corps of Engineers will put it out on the website but will not go through a formal decision process. The Corps of Engineers will take comments through the website.

Question: What are the Corps' expectations of Congress for this fall from the interim report?

Denny Lundberg, Corps of Engineers: No idea. Congress is certainly interested in the status of the study.

Question: Why is the Corps the only presenter in this restructured study? When and where will the Fish and Wildlife Service and several agencies speak?

John Duyvejonck, U.S. Fish and Wildlife Service: The Service has responsibility to coordinate through the Fish and Wildlife Coordination Act with the Corps of Engineers on the effects of the improvements. The USFWS provides their professional opinion on what might happen to the resources if the proposed actions are implemented. The Service drafted a Coordination Act Report based on what happened over the last 10 years if some of the changes had been made. That report should be done within the month. The report mostly discusses what has happened over the last 10 years. From here on out the USFWS will provide additional reports to the Corps of Engineers. The interim report is a nontraditional reporting process so the Corps of Engineers doesn't know if the Service will make a statement on it. If so, the Service and State DNR will speak with one voice. The Service will look and comment on the EIS that the Corps of Engineers produces. The Service welcomes public input but doesn't seek it.

Question: Who will benefit from lock construction? I have heard there are studies that deny decreased lock delays will help farmers.

Paul Bertels, National Corn Growers Association: The word 'studies' is wrong. The accusations are false. Grain prices are a function of the river. Lock delays will increase prices received by farmers.

Question: Isn't it true that 1,200 ft locks would not help farmers but instead help only the multi-national ag business companies?

Paul Bertels, National Corn Growers Association: False. The majority of grain is moved by companies like Archer Daniels Midland, etc. but there are also farmers' coops that participate in the grain export market. ADM Cargill doesn't grow the grain; farmers do. Farmers would benefit, since they are the ones who produce the grain.

Question: In light of the loss of our soybean export market to Brazil when would the earliest date for lengthening improvements for locks be finished? With the continued delay, what is the best case start date for any improvements to the navigation system?

Rich Manguno, Corps of Engineers: 2004 will be the date of completion of the current feasibility study. If Congress acts, that would require extra time. Money must also be appropriated. Then comes detailed engineering and design for whatever measures are selected. That could be a short time or up to several years.

Question: If no improvement to go from 600 ft to 1,200 ft lock and dam occurs, how will you determine if there is a gain or loss of traffic?

Rich Manguno, Corps of Engineers: The approach is that the scenarios will each have associated with them an unconstrained forecast or a potential volume of traffic. With the existing system in place over time, there will be the ability to accommodate that volume of traffic. With various improvements in the system, some of that volume could be realized.

Question: The idea of scheduling lockages or tradable permits has always confounded me. It seems to me that tow traffic is subject to acts of nature such as fog, high water and the grain harvest. How can these things be scheduled, and how can this idea be part of the plan?

Rich Manguno, Corps of Engineers: Scheduling or tradable permits is an attempt to smooth the demand across the system to minimize the extent of congestion caused by random arrivals. Fog and other similar things could interfere with this. Scheduling wouldn't be a solution to eliminate all delays but an attempt to increase efficiencies.

Question: Isn't May 2003 the final date for the Nav Study's completion as put down by Congress?

Denny Lundberg, Corps of Engineers: This is language from the Senate version of the appropriations bill for FY02 that was signed in November 01. The Corps of Engineers's view is that by broadening the scope of the study, it can't be completed in 18 months.

Question: How much does the barge industry pay for operational cost of the locks? Same question for recreational users.

Denny Lundberg, Corps of Engineers: The O&M is 100% federally funded. The barge industry does pay a tax on marine fuel that goes into the Waterway Users Fund. This funds the rehabilitation of structures at 50/50 and also new capital improvements.

Question: If new 1,200 ft locks are not constructed, can you continue to provide existing levels of service for the foreseeable future?

Denny Lundberg, Corps of Engineers: The lock structures are old but maintainable. With periodic maintenance and rehabilitation every 25 years, they can be kept going for another 50 years.

Question: If you do not construct new locks or extensions at selected sites, won't the rest of the system have to perform at existing or ever higher levels to realize any benefit from the extension of the new locks?

Denny Lundberg, Corps of Engineers: Existing locks would have to lock more boats through.

Question: Corps of Engineers feasibility studies are required to comply with the 1983 Principles and Guidelines for Water and Related Land Resource Implementation Studies. Your "no probabilities" scenario based planning described here tonight clearly does not comply with Principles and Guidelines. What authority does the Corps have to violate the Presidential order? If you have no authority to do so, how can you proceed?

Denny Lundberg, Corps of Engineers: This has been discussed with Corps of Engineers HQ. They acknowledge that the Corps of Engineers is outside the P&G box. The Corps of Engineers has some flexibility in the way complex projects are done.

Question: Has any plans or consideration been given to technological changes to an antiquated locking system? Innovation has and is seriously lacking.

Denny Lundberg, Corps of Engineers: The Corps of Engineers developed a list of 92 measures with innovative techniques to reduce congestion in locks. These were screened down to the ones

being considered now. Industry has also looked at innovations (i.e., coupling and unhooking barges).

Question: How are factors like towboats' safety record, the savings in environmental clean-up costs, quality of life for reduced truck or rail-related accidents, fatalities, construction/repair and public intrusion....being considered? Is the environmental impact of using trucks and rail to handle existing or future growth included in the study, and if not, why not?

Ken Barr, Corps of Engineers: Dr. Denver Toliver of North Dakota State University looked at alternatives 'A' through 'H' that would result in different movements by truck and rail. He looked at how much would go on rail and truck, where would it go and what would be the ecological consequences? The report (which is on the website) looks at fuel use, emissions, rail crossing accidents, the effects of sound, etc. This will have to be redone based on new traffic forecasts.

Question: If the study finds that the lock and dam system is destroying the river ecosystem, will it consider removing the locks and dams?

Ken Barr, Corps of Engineers: The Corps of Engineers has not considered removing lock and dams and putting all commodities on trucks and rail. The Corps of Engineers is really looking at incremental increase in future.

Question: How will the Corps study the horrific impacts of 150 years of dikes, dams, and dredging.

Ken Barr, Corps of Engineers: This has been looked at as the cumulative impacts of continued operation and maintenance of the nine foot channel project. The Corps of Engineers took a free flowing river and turned it into a series of lakes. There was an initial boost immediately after the locks and dams were put in (i.e., backwater species and waterfowl). As the system ages, the Corps of Engineers is concerned about the degradation that is occurring. Modifications started with a 4.5 ft channel 150 years ago. The Corps of Engineers is not investigating what the world would look like if the dams had never been built but rather trying to understand ongoing effects so that they can be remedied.

Question: What will it take to restore a healthy Mississippi River system?

Ken Barr, Corps of Engineers: The Corps of Engineers is working with the USFWS, state DNR's, and other stakeholders and coming up with the goals and objectives for the environment. There is a Habitat Needs Assessment put together by the Environmental Management Program. That is a first cut that the Corps of Engineers must build upon.

Question: What environmental impacts might be observed in Pool #7 area if the improvements are made?

Ken Barr, Corps of Engineers: The system will get 4-5 boats/day without improvements. This may increase by 1.5 boats per day over the next 50 years without improvements. If the 1,200 ft locks--five 1,200 ft locks from St. Louis to Canton--are put in, it might jump to 8 boats per day. The Corps of Engineers identified backwaters and side channels to observe environmental effects. Boats are contributing to sediment resuspension and bank erosion. The Corps of Engineers looked at species of fish that use pool 7. Adult fish avoid barges but larval fish can't get out of way. The Corps of Engineers also looked at effects of turbidity on SAV photosynthesis. Some plant beds in Pool 7 could be affected. The Corps of Engineers also looked at mussels and found that sediment resuspension does not affect them.

Question: How will you know when natural resources are in balance with navigation use?

Ken Barr, Corps of Engineers: That is the challenge because the Corps of Engineers doesn't know everything there is to know. The Corps of Engineers wants to make improvements and see how they well perform. There is a need for the adaptive management framework.

Question: Will the study consider using smaller tows that would require fewer locks and dams, and less dredging?

Rich Manguno, Corps of Engineers: The notion of the question is that double lockages could be reduced or eliminated. It wouldn't be fewer locks and dams but rather many more smaller tows and fewer big ones. There are 15-barge tows now because that is a cost effective way to move traffic. The study did not consider using smaller tows and there is no intention to do so.

Question: The various demand scenarios for future shipments of grain are radically different with some forecasting large increases and others large decreases. How are these scenarios going to be integrated to make decisions for recommended navigation improvement measures?

Rich Manguno, Corps of Engineers: The idea is to look across scenarios and identify possible alternative improvements that would perform well across a range of scenarios and then recommend a plan.

Question: What percentage of actual transportation costs do transporters pay?

Rich Manguno, Corps of Engineers: Transporters pay 100% of a particular movement. Maintenance is 100% federally funded from general revenues. Improvements are 50% general revenues and 50% from Inland Waterway Trust Fund.

Question: How much is this study going to cost by the time it is finished in 2004?

Denny Lundberg, Corps of Engineers: That depends on what comes out of the interim report and how much additional studies the Corps of Engineers will recommend as part of the ecosystem planning activities.

Question: Why don't they downsize, leave the locks alone, create more jobs, environmentally friendly and faster; less money in the long run.

Denny Lundberg, Corps of Engineers: The system right now has a good benefit/cost ratio for the nation so we're not looking at downsizing.

Question: Can the Corps (federal gov't) guarantee that if navigation infrastructure improvements are made that the ecosystem of the river will get the funding necessary to restore and sustain a healthy river ecosystem?

Denny Lundberg, Corps of Engineers: Budgets are controlled by Congress. The squeaky wheel gets the grease. If Paul Bertels and Dan McGuiness can agree, that is a powerful approach.

Question: This question is in light of the fact that EMP has always been under funded and may be under funded by 40% in this budget cycle.

Denny Lundberg, Corps of Engineers: The timing is extremely bad.

Question: The NRC noted that your construction costs for lock extension or new locks are probably low. They also recommended that the Corps recalculate rehabilitation cost savings for existing locks. You have stated that you do not intend to accept or incorporate these recommendations into the restructured study. Why have you rejected these NRC recommendations?

Denny Lundberg, Corps of Engineers: The Corps did not state that. The Corps is going out with a consultant to do an Independent Tenant Review of construction costs. The Corps will be re-calculating rehab benefits once the new traffic is developed.

Question: Why doesn't the tax money from tackle and sports manufacturing go into federal projects as they are intended. Instead they end up in the State general funds. Why? The excise tax is several million dollars. Do you know where the money is spent? Do the State of Wisconsin and Iowa use any of these funds on the Mississippi River?

Gretchen Benjamin: The Dingle Johnson money is spent for fisheries and wildlife projects to understand populations. Regulations associated with those different populations can then be set up. A fair amount of D.J. money has been spent on the Mississippi River. That money was always intended to go to states not federal projects and the money is divided between states as proportional to the amount spent in that state.

Question: When are the states going to chime in on talking about the navigation study and why aren't they speaking at this particular meeting?

Gretchen Benjamin, Wisconsin DNR: From the Wisconsin DNR's perspective, the we are encouraged by the refocused navigation study. We like what we hear about balancing the river's ecosystem and the navigation study. The DNR has not collaborated with the Corps a lot. A lot of work has been done with Federal Principals Group and the Regional Task Force, and the states have not been invited to participate in either of those groups and so the states didn't feel comfortable coming up here and standing up here at this point.

Question: What was the purpose of the recent resolution introduced to our (Wisconsin) state legislature? And why ask for lock extension support before the study is final?

Paul Bertels, National Corn Growers Association: The agricultural industry knows the obvious, which is that locks need to be extended. In some of these states, the purpose of these state resolutions is to go to Congress and tell them that the citizens of Minnesota, Wisconsin, Illinois, Missouri, Iowa, etc... think this is an important issue and, as Congress, you have the opportunity to act on this issue.

Question: Please state briefly the position of the "Corn Growers Assoc" plan. Does the "Corn Growers Assoc" have a policy on environmental issues as they relate to erosion of land and fertilizer/pesticide runoff?

Paul Bertels, National Corn Growers Association: The Corn Growers stand for responsible environmental stewardship. We support BMP's such as buffer strips, contour tillage, timing of nitrogen application, and the use of denitrification agents if nitrogen is applied in the soil. The Corn Growers sit on the board of Conservation Tillage Corporation which does research on better tillage practices. We also disseminate this research throughout the land grant universities. The Corn Growers Association also does lobbying for adequate funding through the NRCS so that farmers can work with the federal government to obtain money for work to be done and for the environment to be improved.

Question: Tomorrow the Navigation and Agricultural industry will announce a new study called the Evans Study to project future traffic needs. Why are you launching this new independent study?

Paul Bertels, National Corn Growers Association: The Evans Study doesn't necessarily look at new traffic needs, rather it overcomes some of the shortcomings in the Corps of Engineers study by looking at the macroeconomic impacts. The current system has inefficiencies which cost farmers money. The Corps study looks at what is the next best alternative and then looks at costs and benefits. The Evans study looks at quantifying the impacts on farmers, farm income, farm employment, local and state tax receipts and how it ripples through the economy.

Question: Regarding the DNR and wildlife report to the Corps. Will these reports be made public at the same time or by the Corps later?

John Duyvejonck, U.S. Fish and Wildlife Service: There is no public distribution list for those reports, but they are available to the public. When the cover letter for that report is signed and it is officially endorsed by our regional office in the Twin Cities, the DNR then gives it to the Corps, and it will be available to everyone else. The DNR sends copies to all of the other partner agencies that work with us like the EPA. Contact the state DNR representative, or the Corps of Engineers for a copy. This last report is 125 pages long plus a stack of appendices that will be on a CDROM along with the report.

Question: Why is the Corps budget so heavily weighted toward navigation improvements as compared to environmental monitoring and restoration "if" a balanced approach is being taken? \$10 to \$1!

Denny Lundberg, Corps of Engineers: The report will lay out the funding needed for ecosystem restoration.

The Corps of Engineers budget for operating and maintaining all 37 lock and dam sites is \$115 million to \$120 million/year and ¾th's of that is labor to pay the lockmasters, channel maintenance crews, and the structural crews.

Question: As I recall, a few people with a considerable amount of authority and responsibility over the previous Navigation Study resigned their positions. Please expand on the controversy and explain why none of this detail is mentioned as a reason for pausing the study.

Denny Lundberg, Corps of Engineers: This was a critical part of why the study was paused, and why the DOD asked the National Research Council to review the study details. There are still problems to be solved. The Corps is having lots of meetings and tons of e-mails have been sent out. The Corps is trying to be as open as possible by keeping everyone up to date and up to speed with what is going on.

Question: As budget cuts become a reality, how can we be assured that ecosystem restoration will receive equal or adequate funding? The National Academy of Sciences said the Corps has not adequately studied the impacts of extra barges on river wildlife and strongly recommended that that be done. Despite that, the Corps proposed to dramatically cut EMP funding in their FY 2003 budget request. WHY?!

Ken Barr, Corps of Engineers: This year's EMP budget is about \$21 million but the President's budget is \$12 million. That is a significant cut. Many of the Corps programs have been cut pretty drastically probably because of homeland security issues. This is ultimately Congress's decision because they appropriate the money to the Corps of Engineers.

Question: The Corps has not completed mitigation for Lock and Dam 26 and has routinely failed to mitigate for the impacts of Corps levees, dams, and channelization projects. How will we guarantee under this new approach that mitigation will be completed and completed in a timely fashion?

Ken Barr, Corps of Engineers: Any of the improvements recommended that will affect the environment or that will result from increased traffic will have a mitigation plan as the first cost of construction, and the mitigation funding would come to Corps in the same manner as the construction funding.

Question: The barge system including propulsion has remained unchanged for the last 50 years except larger propulsion systems which have become more damaging to the environment. Has any thought been given to research and development of a more environmental compatible and effective propulsion vehicle or barge? Innovation has been lacking the last 50 years.

Ken Barr, Corps of Engineers: This study does not do any research and development on the inland navigation type tows and barges. There has been some investigation into the effects of sediment re-suspension, wake wave development, and water entrainment. The study has looked at the physics of better understanding how the court nozzle vs. the open wheel affect the system. There has however been some development with ocean systems on these types of issues, but nothing with inland barges.

Question: Why are the ecosystem improvement measures the same for alternatives A through M on overheads 37 & 38.

Ken Barr, Corps of Engineers: The Corps of Engineers attempted to show that there are ongoing effects on the system, and in order to have a sustainable environment, there are actions that the Corps needs to take regardless of infrastructure improvements. If there are additional impacts from any increased traffic that would result, there would be a mitigation package on top of that.

Question: How will you assure the regeneration of floodplain forests?

Ken Barr, Corps of Engineers: The study has not looked at this. Both the St. Paul and Rock Island Districts have an active forest management program. The Corps of Engineers is trying to maintain some diversity out there. After the '93 flood, there was a tremendous loss in hardwoods. The Corps' foresters work closely with state agencies on federal land and land that is co-operatively managed. The co-operatively managed land is managed by the Fish and Wildlife Service, and our foresters help them make decisions for their floodplain forests.

Question: Two part question: 1. Has a study been conducted to determine if a need still exists for the current lock and dam system? 2. If the study finds that the lock and dam system is destroying the river's ecosystem, will it consider removing the locks and dams?

Ken Barr, Corps of Engineers: It is not practically feasible to remove dams on the system. There would be problems with moving traffic. There is a 5:1 return each year in terms of transportation efficiencies and operation and maintenance costs. There are also tradeoffs with water supply and water disposal, and between fish and mussels on the ecological side. The Corps will not spend a lot of effort to look at removal in this study at this time.

Question: This question has to do with an archeological site in the middle of pool 10 and how the water level is operated there.

Ken Barr, Corps of Engineers: This will be forwarded to John Hendrickson at the St. Paul District. John will be getting in touch with you.

Question: How detailed are the future world scenarios and the various alternatives and why are no probabilities being assigned to them?

Rich Manguno, Corps of Engineers: The Corps of Engineers will try to be as detailed as possible. The Corps of Engineers is looking at including population forecasts, yield forecasts, acres in production, per capita consumption rates, etc. However, the scenarios do take on a global perspective, and the Corps is trying to capture these things in a number of locations across the world, and so there are limits to how detailed one can get. Regarding probabilities, it is pretty difficult to assign probabilities, and the scenarios build on individual pieces which make it harder.

Question: How will you perform the legally required cost/benefit analysis with the Alternative World Scenarios?

Rich Manguno, Corps of Engineers: The notion is to have some array of alternative plans and each plan will be evaluated in context of the scenarios. There is a very intensive period of work represented in the schedule where this activity will take place.

Question: The graph on page #26 shows that river traffic has been level (no growth) since 1980. Why do we think navigation improvements will be needed?

Rich Manguno, Corps of Engineers: Since about 1980, overall traffic on the segment has not shown an upward trend of traffic. Expectations of traffic are critical to evaluate the need for improvements on the system. It is necessary to look at a range of possible outcomes due to a high level of uncertainty about the future.

Question: In a March 6, 2002 filing with the Securities and Exchange Commission, the largest carrier on the inland waterway system, American Commercial Barge Lines (ACBL), stated that "Industry covered barge supply is expected to decrease compared to 2001 levels as barge retirements exceed new construction. Covered barges are the type that are used to move farm products on inland waterways. Will your new future traffic scenarios take into account this industry leader's new forecast of decreasing supplies of covered barges? If not, why not?"

Rich Manguno, Corps of Engineers: This is not part of the scenario development that the Corps of Engineers is putting together. The reason is that the underlying assumptions of any scenario incorporate that if there is need for capacity, over the long term, that capacity would be provided.

Question: Why do you not intend to update the critical economic data developed for this study, much of which is ten years old?

Rich Manguno, Corps of Engineers: In planning deliberations, the need to update various aspects of the economic analysis and study requirements was discussed. It's a tradeoff. There are some very lengthy durations and lengthy costs in order to update certain aspects which this question is referring to. As a consequence, the decision was made not to update those other aspects of the study.

Question: Is the fuel tax in place already to pay for potential improvements? If so, what happens to the money if it is not used for these improvements? Does it remain with the waterway?

Rich Manguno, Corps of Engineers: The money that goes into the trust fund goes into a general trust fund regardless of which specific segment of the waterway the money is generated from. This money is allocated based on decisions from Congress.

Question: How much money is currently in the Inland Waterway Trust Fund? Since the enactment of the fuel tax, how much money has been contributed by UMR-IL users?

Rich Manguno, Corps of Engineers: Don't recall how much money is currently in the fund or how much has been contributed by users of the UMR-IL. That information is readily available to you if you provide your name and contact information.

Question: When you refer to the wonderful cost-benefit of the lock and dam system to the nation, are you including the terrible financial straits of the small and modest size family farmer in the Midwest or the massive farm subsidies going to many large farm operations or the massive profits reaped by the likes of huge corporate interests like Cargill and ADM.

Rich Manguno, Corps of Engineers: That benefit-cost ratio which was mentioned earlier refers to the operation and maintenance of the existing system only. It compares the cost of keeping that system running to the benefits realized by just the navigation traffic that is on the system. That benefit is measured as the difference in the transportation costs between going by water and what the next best mode of transportation might be. That benefit is distributed across all of the users of the system.

Question: You have stated a 5:1 benefit cost ratio for the system when comparing benefits to O&M cost only. What is the benefit-cost ratio when construction costs (in today's dollars) are added to O&M costs?

Rich Manguno, Corps of Engineers: Don't know the answer. Most of the original projects were constructed in the 1930s and 1940s.

Question: Regarding who benefits from navigation expansion, the important question is not will farmers benefit, but how much? If farmers gain 5 cents per bushel, how much will ADM get--10 cents? 50 cents?

Rich Manguno, Corps of Engineers: The Corp's analysis includes benefits for the net gain in efficiencies for the overall system. The Corps does not measure who actually realizes the efficiency, so it was not an item that was estimated in the analysis.

Question: I watched the Pool 8 islands erode over the past 40 years in spite of Corps of Engineers assurance that river levels were operated within their limits since 1972. However, the Pool 8 drawdown EIS states water levels were raised 1.5 to 2.5 feet (on 3 occasions) between 1940's and 1972. Clearly these actions, which reduce immediate dredging needs, increased water levels and caused many of the problems we now have especially in backwaters.

Gretchen Benjamin, Wisconsin DNR: Gary Polish of the Corps of Engineers in St. Paul would have to answer some of this, and this question will be forwarded to him. The Corps of Engineers did change water levels from when the dams first went in to the early 70's in order to optimize the system. They did this for various reasons. After 1972, there were more stable water levels. There will be a need for lots of tools to improve environmental habitat and manage the water levels for both an economic and environmental balance.

PUBLIC STATEMENTS

Bob Debursky, Dairy and Crop Farmer, National Corn Growers Member. His passion is for farming. The river is very important for those who ship grain. It is about a \$0.10 advantage to ship out of LaCrosse versus the local market. That makes the difference as to whether he stays in business. This must be a win/win situation. Farmers are the original environmentalists.

Victor Ormsby, Soil and Water Conservation Supervisor. He is trying to put together a conservation reserve enhancement program. There are 60,000 acres that are eroding today at 20 tons per acre. Not all farmers are good conservation farmers. Since 1996, he has seen a tremendous increase in silt load which certainly affects how much dredging the Corps needs to do.

William Howe: The EMP program will provide for good science which is very necessary. Make sure that the budget cuts don't eliminate good science. Recreational boaters provide a great amount of federal tax. Should take part of the DOT money for study money. The EMP is the groundwork for tomorrow.

Sol Simon, Mississippi River Revival and Environmental Group. This is not about the environment vs. economics. This is an issue of corporate subsidy vs. regional sustainable economics. Up to now the Corps of Engineers has ignored environmental issues. The report schedule is too un-realistic. The Corps doesn't have adaptive management for commercial navigation, so how can they have it for the environment? The Corps of Engineers has a bad track record and must prove themselves. Moreover, this meeting is a scam. The only thing that is tangible at this meeting is the schedule. The DNR's have not been involved in the process, and the Corps of Engineers has ignored NEPA. The river is heading down and is losing habitat and backwaters. The Corps of Engineers issued a report that documents the loss of pools because of sedimentation, so the Corps of Engineers needs to have a good faith effort in order to solve the sedimentation problem.

Reggie McCloud, Editor and Publisher of Big River Magazine. There is no guarantee for the environment. The states are not yet included in the study. The agricultural lobbyists are trying to do an end run; they are trying to get around the environmental consequences. Agricultural economists say that large scale expansion will return 10 cents to the dollar. There would be no waiting at locks if there were 600 ft tows. Should re-design boats that work efficiently for the river rather than re-design the river to fit the boats. Look at smaller boats with shallow drafts. Miles of dikes funnel the water and cause the river to have less capacity. The lock and dam system has screwed up the river. Much of the corn goes to Mexico where it is processed with cheaper labor. Farmers in Mexico can't afford to grow the corn. (Applause)

Larry Larson, Sergeant, MN. The production of corn and soybeans has more than doubled in the last 30 years. Farmers need more capacity because production yields will be increased. He is more concerned with people in rural areas. The large corporations just move the product; they don't profit. Farmers are the ones who benefit. South America is moving ahead with production of grains. They put in their own river systems. Read statement from neighbor that supports improvement of the navigation system to compete with South America and the global economy.

Jim Irvine. His family farms in Dexter, MN. They try to compete in the world economy. One of their advantages over Brazil is the river system. This offsets a negative advantage in that Brazil has cheaper labor. Farmers are environmentalists--they put in buffers on their farmland.

Bob Olson, Farmer and Environmentalist. The waters on his land empty into the Mississippi. He put land into the Wetland Reserve. Farmers should be called producers. Basic production of food and clothing is important in order to support environmental issues. Wisconsin exports 60 percent of the corn produced. It is important to modernize the system. The barges pay 20 cents per gallon tax and the farmers ultimately pay this price.

Barbara Frank, Sierra Club, Chair of Midwest Regional Conservation Committee. Pro navigation proponents are stretching the river for some very questionable benefits. Proclamations of “feeding the world” are a myth. We sell very little to poor, developing nations because they don’t have the money to buy. There is a myth that exports will continue to grow; however, there are other exporting nations that may very well undersell us. Corn farmers are losing money per acres. The notion that navigation expansion on the Upper Mississippi will help farmers is another myth. Much of the benefits will not trickle down to our farmers. The last myth is that there is a need for increased shipping capacity on river, but the past projections don’t show this. Commend the Corps of Engineers for making the study basin-wide, and for including all the stakeholders.

Richie Swanson, Freelance Writer. This meeting would be better if the audience could ask their own questions. Recommends book, *A River Lost*, by Blaine Harden, that describes the Columbia River. Deforestation in the tropics is catching up with deforestation in North America, and bird populations are plummeting. If we lose forests that birds breed in, are we prepared to catch migratory birds and ship them up North to breed in the forests up there? We need to have a sustainable or “natural” economy.

Dan Larsen, the River Resource Alliance. Some of the speakers should admit that they want to shut down navigation on the river. Longer locks are needed at seven locations. Let’s lock arms and go up to Capital Hill together and state our needs. If navigation is shut down, the produce will be moved on trucks and trains. This will affect air quality, traffic congestion, and rail congestion. His organization supports a multi-use management plan for the river. (Applause)

Barry Clemens. Not trying to stop navigation, but if the river were restored to what it was 40 years ago, then extending the locks would be okay. (Applause)

John Struthers. There is a good document called *A River that Works & A Working River*. The big enemy is siltation rates. Siltation is choking backwaters and side channels and flooding floodplain forests. Need to keep this as a sustainable river. There is tons of nitrogen going down the river causing hypoxia in the Gulf of Mexico. We need to consider the world as a whole not just the Midwest. Can we institute a wave tax?

Ed Vandermulion, Lafarge North America. Lafarge owns numerous plants and ships cement products on the river. A gallon of fuel goes farther by shipping with barges rather than with rail or truck, and this keeps all forms of transportation efficient as well. River transportation is an environmentally sound way to ship products because it burns less fossil fuel and emits less air pollutants. We need to work together on this; this study is going in the right direction.

John Wetzel, Friends of Upper MS Refuge. The Corps of Engineers must emphasize public meetings in order to see all viewpoints. The last study had some problems with it. Look at a balanced approach between the environment and navigation. The Corps of Engineers must reach a consensus with all its coordinating committees, so that the final report will be more acceptable to the general public. Supports UMRBA’s perspective with the Refocused Fuel Navigation Study released Feb. 27, 2002. Recommends strong consideration to the development of an environmental trust fund that looks at an increased traffic load.

Janice Heshler, Dresbach, MN. There is a homeowners group living on a narrow spot on the River. There has been a lot of bank erosion on the shore and on Dresbach Island. This issue is a balancing act. Sees barges go by all the time, and feels that less is more. Need to be sensitive to the environment.

Jim Klienwert, Grain Elevator Operator. Corps of Engineers' new approach is good because it encompasses everything. Gains that can be had by movements on the river don't just go to big business. It enables big business to lower bids to the farmers, so that the gains go directly to consumers and the producers.

Rodney Moe, Farmer, Hayfield, MN. The river is very important for agricultural products. This group should work together. There is a viable solution to this problem. Supports the reconstruction of locks.

Willis Matson, Public Employees for Environmental Responsibility. The Corps of Engineers is hiding behind previously approved models that overstate the economic benefits. The Corps is ignoring the recommendations of the NRC. They are doing this because it is a smart political move. The only casualty of this new study is truth, and the taxpayers are victims of the study.

Dan McGuiness, Audubon Society. Don't forget about the communities in between. More and more communities have been turning to the riverfront over the past 20 years. The river resources draw people. Don't underestimate the value of the river and its ecosystem for communities.

Tim Burrack, Farmer in Northeast Iowa. Uses the river for shipping grain and fishing. Bald eagles are returning. Exports have been flat during various times, but dramatic rises have occurred during certain periods and a rise could certainly occur again over the next 20 years. Livestock production is increasing, so corn will have to go on the market or somewhere else. More barges also means more jobs. Brazil and Paraguay had just dug a 10 mile canal that will increase their efficiency. They spent \$100 million to improve the Amazon River for navigation after viewing the Mississippi River. It is cheaper to move grain here as compared to South America but their costs will decrease over time. This gives them an incremental advantage. The subsidies trickle down to consumers. Do not take the economic vitality of the river for granted. (Applause)

